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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/678,871	10/03/2003	Jack Wasserman	672988/0003	1275
7590 04/01/2005			EXAMINER	
Steven B. Pokotilow			VIG, NARESH	
Stroock & Stroock & Lavan LLP			ART UNIT	
180 Maiden Lane			PAPER NUMBER	
New York, NY 10038			3629	
DATE MAILED: 04/01/2005				

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/678,871

Applicant(s)

WASSERMAN, JACK

Examiner

Naresh Vig

Art Unit

3629

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 10 March 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-17 and 78-81 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-17 and 78-81 is/are rejected.
- 7) ☒ Claim(s) 1 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Election/Restrictions

Applicant's election without traverse of claims 1 – 17 and 78 - 81 in the reply filed on 10 March 2005 is acknowledged.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 1 is rejected under 35 U.S.C. 112, second paragraph, as failing to set forth the subject matter which applicant(s) regard as their invention. In the specification originally filed on 03 October 2003 applicant teaches a method of obtaining a seller's exclusive real estate listing for a property includes a real estate agent providing consideration to the seller, for example, in the form of an upfront payment, and receiving from the seller the exclusive real estate listing of the property. If a sale condition, such as receipt of a bona fide purchase offer or a contract for sale, is met during the exclusivity time period, the real estate agent will receive return consideration, such as a refund of at least a portion of the consideration.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claim 1 – 17 and 78 –81 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claims 1 – 17 and 78 – 81 only recites an abstract idea. The recited steps of merely paying compensation to a seller upfront in exchange for getting a contract to sell their real estate does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to select an insurance policy over another.

Art Unit: 3629

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, the claimed invention pays compensation to sellers upfromt (i.e., repeatable) used to getting a contract to sell their real estate (i.e., useful and tangible).

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claim 1 is deemed to be directed to non-statutory subject matter.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1 – 17 and 78 – 81 are rejected under 35 U.S.C. 103(a) as being unpatentable over ZipRealty.com hereinafter known as ZipRealty in view of Forward US Patent 6,578,011.

Art Unit: 3629

Regarding claim 1, ZipRealty teaches system and method for a real estate agent to obtain a real estate listing for a property of a seller. ZipRealty teaches:

ZipRealty does not teach providing consideration to the seller. However, ZipRealty teaches providing discount to sellers (incentive to seller to use ZipRealty) and consideration to buyers (rebate). Forward teaches system and method that provides financial incentive for sellers to participate in a central directory system [col. 2, lines 22 – 26].

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify ZipRealty as taught by Forward to lure the sellers to use ZipRealty as their listing agent.

ZipRealty in view of Forward teaches:

receiving from the seller the real estate listing of the property in return for providing the consideration to the seller

receiving return consideration from the seller if a sale condition for the property is met (commission received at the time of settlement).

Regarding claim 2, ZipRealty in view of Forward teaches consideration includes an up-front payment to the seller [Forward, col. 2, lines 22 – 26].

Regarding claim 3, ZipRealty in view of Forward teaches sale condition is receipt of a bona fide offer to purchase the property (successful closing).

Art Unit: 3629

Regarding claim 4, ZipRealty in view of Forward teaches sale condition is an executed purchase contract (successful closing).

Regarding claim 5, The method of claim 1, ZipRealty in view of Forward does not teach not receiving the return consideration refund if the sale condition is not met. However, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made it is a business choice to decide whether to let the client keep the compensation or return the compensation. For example, in options trading in stock market, the seller keeps the compensation if the seller does not exercise the option.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify ZipRealty in view of Forward and allow the customer to keep the compensation to make ZipRealty more attractable to sellers for using it as their listing agent.

Regarding claim 6, ZipRealty in view of Forward does not teach receiving return consideration includes receiving a refund of at least a portion of the consideration. However, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made it is a business choice to decide whether to let the client keep the compensation, retain part of compensation and return the balance, or, return all of the compensation.

Art Unit: 3629

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify ZipRealty in view of Forward and allow the customer to keep the compensation to make ZipRealty more attractable to sellers for using it as their listing agent.

Regarding claim 7, ZipRealty in view of Forward does not teach receiving return consideration includes offsetting a purchase price for the property with the refund. However, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made it is a business choice to decide how to settle the compensation with the customer.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify ZipRealty in view of Forward and offset the purchase price with the compensaton to make ZipRealty more attractable to sellers for using it as their listing agent by reducing the commission paid by the seller to the agent when the commission is based on the percentage of the sold price.

Regarding claim 8, ZipRealty in view of Forward does not teach receiving return consideration includes the real estate agent increasing a commission received from the seller. However, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made it is a business choice to decide how to settle the compensation with the customer.

Art Unit: 3629

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify ZipRealty in view of Forward and increase commission received from the seller by adding consideration to recoup the consideration paid to the seller to acquire the listing.

Regarding claim 9, as responded to earlier in response to claims 1 – 8, ZipRealty in view of Forward teaches the property has an associated price and providing consideration to the seller includes providing an advance of the price, and wherein receiving return consideration includes offsetting monies provided to the seller based on sale of the property by the advance.

Regarding claim 10, as responded to earlier in response to claims 1 – 9, ZipRealty in view of Forward teaches:

the providing consideration includes providing consideration to a plurality of sellers (obvious when there are plurality of registered owners of property);

the receiving the listing includes receiving listings from the plurality of sellers (obvious when there are plurality of registered owners of property); and

the receiving a refund includes receiving a refund from a group of the plurality of sellers for which a corresponding sale condition is met (obvious when there are plurality of registered owners of property).

Art Unit: 3629

Regarding claim 11, ZipRealty in view of Forward teaches wherein the listing is an exclusive listing (obvious when seller authorizes an agent to sell their property).

Regarding claim 12, ZipRealty in view of Forward teaches wherein the group of sellers have different sale conditions (obvious when there are plurality of registered owners of property, and, ownership is Tenancy in Common).

Regarding claim 13, ZipRealty in view of Forward teaches receiving financing from a financing agent (obvious that in most of the real estate transactions financing is acquired from a financing agent).

Regarding claim 14, ZipRealty in view of Forward teaches using the financing to provide consideration to the seller (obvious that in most of the real estate transactions financing is acquired from a financing agent to pay seller in exchange for getting the transfer of title for the real estate purchased).

Regarding claim 15, ZipRealty in view of Forward teaches making payment in return for receiving the financing (obvious that in most of the real estate transactions financing is acquired from a financing agent and the financing is received to make the payments to seller in exchange for getting the transfer of title for the real estate purchased).

Regarding claim 16, ZipRealty in view of Forward teaches payment in return for the financing includes paying a percentage of the financing (obvious when buyer gets a loan with loan origination fee, a percentage of loan is payed to the financing company for processing the loan, or, owner puts percentage of down payment based upon terms of contract at the time of settlement).

Regarding claim 17, ZipRealty in view of Forward teaches wherein the payment in return for the financing includes paying a percentage of commissions for sale of one or more properties (obvious when the seller also purchases a real estate and the settlement is done at the same time).

Regarding claim 78, ZipRealty in view of Forward teaches receiving return consideration includes receiving an increased commission as compared to other contracts for real estate listings (business choice to negotiate commission with the seller, a broker may elect fixed commission, or, variable commission rate as compensation).

Regarding claim 79, as responded to earlier in response to claims 1 – 10, ZipRealty in view of Forward teaches receiving return consideration includes receiving the return consideration if the sale condition is met during a time period.

Regarding claim 80, ZipRealty in view of Forward teaches wherein the real estate listing is an exclusive real estate listing for an exclusivity time period, and wherein the time period equals the exclusivity time period (obvious because a contract or an agreement must have start date and end date).

Regarding claim 81, ZipRealty in view of Forward teaches wherein the consideration includes money.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Applicant is required under 37 CFR '1.111 (c) to consider the references fully when responding to this office action.

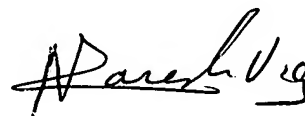
1. Modern Real Estate Practice

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Naresh Vig whose telephone number is 703.305.3372. The examiner can normally be reached on M-F 7:30 - 5:00 (Alt Friday off).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on 703.308.2702. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Art Unit: 3629

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

A handwritten signature in black ink, appearing to read "Naresh Vig", with a stylized flourish at the end.

Naresh Vig
Patent Examiner
March 21, 2005